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C O N F I D E N T I A L TEGUCIGALPA 002555

SIPDIS

STATE FPR WHA/CEN

E.O. 12958: DECL: 09/11/2012
TAGS: MASS MCAP PARM PGOV PREL HO
SUBJECT: HONDURAS TO INVESTIGATE NACO ARMS THEFT

REF: USDAO TEGUCIGALPA 091651Z AUG 02

Classified By: POLCHIEF FRANCISCO PALMIERI, Reasons 1.5 (b) and (d)

¶1. (U) SUMMARY: On August 28, the Honduran Armed Forces
(HOAF) designated Army Auditor General Colonel Rodolfo Reyes
Argueta to investigate the alleged robbery of 230 of 790
AKMS-type assault rifles from the arms cache in Naco. The
weapons were stored under court injunction in a Honduran
military facility, and were discovered missing on July 31
during a spot check conducted by a prosecutor from the Task
Force against Organized Crime. END SUMMARY.

SETTING THE BATTLE SCENE

¶2. (SBU) The small town of Naco hosts the 4th Logistical
Base (CALE) and a large cache of weapons and artillery. In
1985, Longlac Enterprises, a Panamanian-registered arms
importer, sent weapons to Honduras on deposit for use by the
HOAF. After years of poor storage and neglect, the cache
became a serious hazard, and in 1993 an explosion killed two
people. In 2001 the GOH destroyed the unstable weapons, and
moved the remaining weapons to a more secure storage facility
- to eliminate the threat to the nearby population and to
reduce the risk of pilferage.

¶3. (C) Meanwhile, Longlac sold the cache of arms to
Miami-based Samco Global Arms. For several years, there has
been a complicated legal battle over the ownership of the
weapons and who is responsible for removing them. Currently,
the Honduran courts control the storage facility and the
inventories. The legal battle became even more complicated
when Samco sued the GOH in Miami and the GOH counterclaimed.
(COMMENT: Post is concerned that the weapons might fall into
the hands of arms traffickers or terrorists, and we have
advised the GOH of the U.S. willingness to assist in the
destruction or disposal of the remaining cache once ownership
is established. END COMMENT.)

MISSING ASSAULT RIFLES

¶4. (C) On July 31, 2002, the prosecutor from the Task Force
against Organized Crime conducted a spot check, accompanied
by a Court Clerk from the Fourth Circuit of the Honduran
Criminal Court, a DAO military attache, and a team of arms
experts from the Defense Intelligence Agency. The prosecutor
conducted the spot check using an inventory attested to by
affidavit of the Chief Judge of the Fourth Criminal Court of
San Pedro Sula and the Commander of the CALE dated July 31,
¶2001. Moreover, the affidavit certified that the cache was
being stored under court order and that the keys to the
storage facility were maintained in the custody of the Court.

¶5. (C) Among other arms and ammunition, the inventory
included 790 AKMS assault rifles that are Chinese-made AKMS
type 56-1-copies of the Soviet folding stock AKMS. The
recent spot check revealed that 230 of the AKMS are missing,
presumably stolen. (NOTE: The Honduran press erroneously
reports that there are "more than 500 AK-47s" missing. See
Reftel for more detailed information about the missing
weapons. END NOTE.)

HOAF INVESTIGATION?

¶6. (U) On August 28, the high command of the HOAF designated
Army Auditor General Colonel Rodolfo Reyes Argueta and
"Captain of Justice" (comparable to the U.S. JAG) Fernando
Ruiz Figueroa to investigate the alleged theft of the arms.
Post has no information on either of the individuals that the
HOAF appointed to investigate the theft.

¶7. (C) COMMENT: Post concurs with DAO,s assessment in
Reftel that the theft was an inside job involving military
personnel. While the military guards are the likely
suspects, it is highly probable the HOAF officers were also
involved. Embassy staff will monitor what progress (if any)
is made in this investigative effort of the HOAF, but is
pessimistic that the investigation will move forward. The

GOH and HOAF do not enjoy a good track record with respect to
rooting out and addressing corruption. END COMMENT.
PIERCE